

HOUSE JOINT RESOLUTION 76

By Hardaway

A RESOLUTION to establish a special joint legislative study committee to study tax reform.

WHEREAS, there has been much debate over the adequacy and diversity of revenues raised for the operation of government, the elasticity of the current Tennessee structure and the effect of e-commerce, catalogue sales and the tax structure of border states on the Tennessee structure; and

WHEREAS, no consensus has formed over whether the current system is in need of reform or, if so, the method by which it should be changed; and

WHEREAS, a thorough and unbiased study of the Tennessee tax infrastructure and options for tax reform is in order to determine the best course of action for the financial future of Tennessee; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED SIXTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that a special joint committee of the General Assembly be appointed to study and report its findings on issues relating to tax reform in Tennessee.

BE IT FURTHER RESOLVED, that the committee shall consist of four (4) members of the House of Representatives and four (4) members of the Senate, to be appointed by the respective speakers.

BE IT FURTHER RESOLVED, that the committee is authorized to employ such staff as is necessary subject to funding being provided in the general appropriations act. The committee may also call upon other state and local governmental departments and entities for any necessary assistance.

BE IT FURTHER RESOLVED, that:

(1) The committee shall study the tax infrastructure in Tennessee and its diversity and susceptibility to economic fluctuations and adequacy for generating revenue. Such study shall include state taxes, local taxes, special district taxes and state-shared taxes. The committee shall study the elasticity of the current tax structure, the effect of e-commerce on the current tax structure, the method of allocation of state tax revenue, the effect of allocation of tax revenue based on situs of collection, current distribution formulas for tax revenue, special allocations of tax revenue based on population or tourism related special treatment and the deductibility of state and local taxes from federal taxes. The committee shall also study taxes on beer, liquor, wine and cigarettes; and

(2) In general, the committee is charged with studying the entire system of taxation in Tennessee, with evaluating such system as to its fairness and equity to all citizens of Tennessee, and, if deemed necessary, rewriting the tax code to encompass the principles of fairness and equity.

BE IT FURTHER RESOLVED, that all legislative members of the special joint committee who are duly elected members of the General Assembly shall remain members of such committee until the committee reports its findings and recommendations to the General Assembly.

BE IT FURTHER RESOLVED, that the special joint committee shall be convened by the member with the most years of continuous service in the General Assembly, and at its first meeting shall elect a chair, vice-chair, and such other officers the committee deems necessary.

BE IT FURTHER RESOLVED, that the special joint committee shall timely report its findings and recommendations, including any proposed legislation, to the One Hundred Sixth General Assembly no later than February 1, 2010, at which time the committee shall cease to exist.